



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

March 15, 2023

The Honorable Melony Griffith
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: SB 75 – Insurance and Maryland Medical Assistance Program Treatment of Alopecia Areata Coverage Requirements – Letter of Information

Dear Chair Griffith and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information on Senate Bill (SB) 75 - Insurance and Maryland Medical Assistance Program Treatment of Alopecia Areata Coverage Requirements. SB 75 will require the Maryland Medical Assistance Program (Maryland Medicaid) to cover certain treatments for alopecia areata, including FDA-approved prescription drugs and medical devices for the treatment of alopecia areata, as well as hair prostheses.

Approximately 1,600 Maryland Medicaid participants have a diagnosis of alopecia areata and a projected 75 new individuals will receive this diagnosis each year. MDH currently covers the only FDA approved medication, Olumiant, for severe alopecia areata. Per FDA approval, Olumiant is a Janus kinase (JAK) inhibitor which blocks the activity of one or more of a specific family of enzymes, interfering with the pathway that leads to inflammation while simultaneously increasing scalp coverage. To the extent utilization of this medication increases as result of this legislation, there would be an increase in expenditures for the fee-for-service program and Maryland's HealthChoice managed care organizations. These additional costs would be subject to a 62% FMAP in SFY24 and 61% FMAP in successive years.

Under federal guidelines, hair prostheses are considered cosmetic in nature; therefore, the benefit would not be eligible for a federal match.

If you have any questions, please contact Megan Peters, Acting Director of Governmental Affairs, at megan.peters@maryland.gov or (410) 260-3190.

Sincerely,

Laura Herrera Scott, M.D., M.P.H.
Secretary